

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended May 31, 2023 (Based on Japanese GAAP)

July 13, 2023

Company name: AVANTIA CO.,LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 8904 URL <https://avantia-g.co.jp/>
 Representative: Representative Director Yasunari Sawada
 President
 Director and Department
 Inquiries: Manager of Administration Shoji Higuchi TEL 052-859-0034
 Scheduled date to file Quarterly Securities Report: July 13, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended May 31, 2023 (from September 1, 2022 to May 31, 2023)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended May 31, 2023	38,085	3.4	758	(3.4)	799	(6.8)	471	(13.6)
Nine months ended May 31, 2022	36,850	40.5	784	259.7	858	158.4	546	192.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended May 31, 2023	33.03		–	
Nine months ended May 31, 2022	38.33		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of May 31, 2023	63,730	26,839	42.1
As of August 31, 2022	60,683	26,887	44.3

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended August 31, 2022	–	19.00	–	19.00	38.00
Year ending August 31, 2023	–	19.00	–		
Year ending August 31, 2023 (Forecast)				19.00	38.00

3. Forecast of consolidated financial results for the year ending August 31, 2023 (from September 1, 2022 to August 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	62,000	5.5	1,900	(18.3)	1,900	(21.5)	1,300	(30.5)	90.99

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended May 31, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of May 31, 2023	14,884,300 shares	As of August 31, 2022	14,884,300 shares
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Number of treasury shares at the end of the period

As of May 31, 2023	586,455 shares	As of August 31, 2022	620,455 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended May 31, 2023	14,283,772 shares	Nine months ended May 31, 2022	14,251,966 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of August 31, 2022	As of May 31, 2023
Assets		
Current assets		
Cash and deposits	13,792,559	7,614,069
Notes receivable, accounts receivable from completed construction contracts and other, contract assets	1,615,504	1,768,529
Real estate for sale	9,458,472	4,963,235
Costs on development business and other	24,242,458	31,466,000
Costs on construction contracts in progress	4,209,562	11,135,011
Raw materials and supplies	15,913	13,252
Other	610,323	716,229
Allowance for doubtful accounts	(882)	(504)
Total current assets	53,943,911	57,675,824
Non-current assets		
Property, plant and equipment	4,562,532	3,934,477
Intangible assets	747,945	685,301
Investments and other assets		
Investment securities	429,096	393,337
Other	1,000,075	1,041,685
Total investments and other assets	1,429,171	1,435,023
Total non-current assets	6,739,650	6,054,802
Total assets	60,683,562	63,730,626
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	2,709,920	2,131,535
Short-term borrowings	19,472,703	18,907,593
Current portion of long-term borrowings	4,325,611	1,701,636
Income taxes payable	431,409	190,877
Contract liabilities	1,261,087	2,166,329
Provision for bonuses	124,580	194,520
Provision for warranties for completed construction	18,694	11,665
Other	1,108,603	859,368
Total current liabilities	29,452,609	26,163,525
Non-current liabilities		
Long-term borrowings	3,639,845	10,203,301
Retirement benefit liability	281,712	–
Other	422,360	524,328
Total non-current liabilities	4,343,918	10,727,630
Total liabilities	33,796,528	36,891,155

(Thousands of yen)

	As of August 31, 2022	As of May 31, 2023
Net assets		
Shareholders' equity		
Share capital	3,732,673	3,732,673
Capital surplus	2,978,249	2,973,813
Retained earnings	20,732,264	20,656,453
Treasury shares	(575,443)	(543,910)
Total shareholders' equity	26,867,743	26,819,030
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,289	20,440
Total accumulated other comprehensive income	19,289	20,440
Total net assets	26,887,033	26,839,471
Total liabilities and net assets	60,683,562	63,730,626

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended May 31, 2022	Nine months ended May 31, 2023
Net sales	36,850,447	38,085,614
Cost of sales	31,241,212	32,448,793
Gross profit	5,609,235	5,636,820
Selling, general and administrative expenses	4,824,749	4,878,708
Operating profit	784,485	758,112
Non-operating income		
Interest income	553	692
Dividend income	3,085	3,918
Administrative service fee income	47,043	61,298
Refunded Real Estate Acquisition Tax	70,476	77,600
Other	77,311	72,834
Total non-operating income	198,469	216,344
Non-operating expenses		
Interest expenses	111,352	139,251
Commission for syndicated loans	–	27,850
Other	13,602	7,827
Total non-operating expenses	124,954	174,928
Ordinary profit	858,001	799,528
Extraordinary income		
Gain on sale of non-current assets	1,790	5,648
Gain on reversal of asset retirement obligations	–	2,709
Total extraordinary income	1,790	8,358
Extraordinary losses		
Loss on sale of non-current assets	29,966	–
Loss on retirement of non-current assets	11,108	29,119
Total extraordinary losses	41,074	29,119
Profit before income taxes	818,716	778,766
Income taxes	272,389	306,961
Profit	546,327	471,805
Profit attributable to owners of parent	546,327	471,805

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended May 31, 2022	Nine months ended May 31, 2023
Profit	546,327	471,805
Other comprehensive income		
Valuation difference on available-for-sale securities	(50,134)	1,150
Total other comprehensive income	(50,134)	1,150
Comprehensive income	496,192	472,956
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	496,192	472,956
Comprehensive income attributable to non-controlling interests	—	—